

For those members retiring or entering DROP prior to 10/1/2002 who did not have the optional forms of payment available, and who have since married or remarried, may elect the “remarriage/marriage after retirement” option in order to provide a surviving spouse benefit to a spouse who would otherwise be ineligible. The optional remarriage after retirement benefit shall be prospective only, and shall be based upon actuarial equivalence as calculated by the fund’s actuary such that the benefit shall be cost neutral to the plan and plan sponsor.

This benefit shall be limited to circumstances in which the new spouse is no more than twenty (20) years younger than the member. This benefit shall not be available to persons who have been retired for more than forty (40) years.

Eligibility – Developed by Committee #2 of the pension board, the PBA’s attorney, and the fund’s actuary to prevent anti-selection and provide safeguards.

- Waiting period – retiree must have been married to the new spouse at least 3 years prior to becoming eligible for this remarriage after retirement benefit.
- Maximum age difference between retiree and new spouse – 20 years.
(Option not available to the retiree and new spouse if the age difference is more than 20 years).
- Maximum length of retirement - less than 40 years.
(Option not available to a retiree who has been retired for more than 40 years).
- Maximum number of remarriages after retirement – 2 (two).
- The 65% continuation to the new spouse would be in effect until that surviving spouse’s death or remarriage.
- No actuarial cost to the plan, plan sponsor, or other plan participants. Actuarial reduction to married/remarried retiree based upon actuarial equivalence.
- Optional. Prospective only.

Example: I retired in 1970 and remarried in 1980, so right now I don’t have an eligible surviving spouse under the current pension plan to qualify for benefits when I die. My new spouse is 9 years younger than I am, I have no minor children, and I meet all of the eligibility requirements above.

Q1. What happens right now to my pension benefit if I die under the current plan?

A1. There is no continuation of monthly pension benefits to anyone upon your death.

Q2. What would happen if I were to elect this remarriage after retirement option, if it is enacted in October 2010 or later?

A2. Your gross monthly pension benefit would be recalculated on an actuarially equivalent basis, taking your age and your spouse’s age and both of your life expectancies into consideration. Say your gross monthly pension benefit is \$2,000 right now with no continuation to anyone upon your death. If the actuarial equivalence factor is calculated by the actuary in this example to be 88 %. Your monthly pension benefit would be reduced to \$1,760.00 ($\$2,000 \times 88\%$) per month, and when you die, your surviving spouse would receive a 65% continuation until death or remarriage of \$1,144 ($\$1,760 \times 65\%$). In other words, you’re agreeing to take a monthly reduction now in order to provide a 65% continuation to your spouse, who would otherwise receive nothing when you die.

Q3. Who pays for the actuarial equivalence calculation for the remarriage after retirement benefit?

A3. The retiree requesting a remarriage after retirement actuarial equivalence calculation in writing shall pay the cost of the actuarial calculation in advance, currently \$300 per calculation.